

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

6-28-39

SAT, NY

To: COMMUNICATIONS SECTION.

SAC-NEW YORK (2)

Transmit the following message to:

WHETHER A TAI COMPLAINT SHOULD BE FILED AGAINST SMITH. IN THE
EVENT HE FILES SUCH A COMPLAINT HE WILL ASK THE FBI TO LOOK FOR
SMITH. MR. VIOSCA IS ALSO DESIROUS THAT THE BUREAU INVESTIGATE
THE KICKBACK RACKET IN LOUISIANA WHICH WAS THE SUBJECT OF SOME
INQUIRY ABOUT A YEAR AGO TO DETERMINE WHETHER THE PAYMENT OF
FIVE PERCENT OF THE SALARIES OF ALL EMPLOYEES INTO A STATE FUND
USED FOR POLITICAL PURPOSES MAY BE A VIOLATION OF ANY FEDERAL
STATUTE IN VIEW OF THE POSSIBILITY OF SOME FEDERAL FUNDS BEING
UTILIZED TO PAY STATE EMPLOYEES. THIS KICKBACK INVESTIGATION IN
ACCORD WITH YOUR AUTHORIZATION HAS BEEN INITIATED. SACKETT HAS
BEEN APPROPRIATELY CAUTIONED AGAINST DISCLOSING THE NATURE OR
IDENTITY OF OUR INVESTIGATION. SACKETT ADVISES THAT J. EMERY
ADAMS NEPHEW OF MRS. SMITH WHO IS REPORTED TO HAVE DRIVEN THE
SMITHS TO MEMPHIS IS IN THE PROTECTIVE CUSTODY OF ATTORNEY GENERAL
ELLISON OF LOUISIANA WHO WILL NOT EVEN PERMIT GENERAL GERE OF
THE STATE POLICE TO TALK TO HIM. ALL OF THE SMITH FAMILY
IN BATON ROUGE HAVE DECLINED TO TALK TO THE STATE POLICE WHO HAVE
FAILED TO DEVELOP ANY INFORMATION WITH RESPECT TO SMITH'S BACKGROUND.
J. EMERY ADAMS IS REPORTED TO BE APPEARING BEFORE A GRAND JURY IN
BATON ROUGE AND IS UNWILLING TO CONTACT HIS FOR INTERVIEW.
I AM HAVING BUREAU INVESTIGATOR ON CHECKED HERE AND ALSO THE ARMY
DEPARTMENT FOR POSSIBLE PINGPONG. UNDER THE CITATION OF ABOVE

SENT VIA

TIME

4:00 P M

Per

A

47

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

To: COMMUNICATIONS SECTION.

Transmit the following message to:

SAC-New York

(3)

VIOSCA HAS ASKED MR. SACKETT TO ASCERTAIN THE DETAILS OF
LOANS OBTAINED BY DR. SMITH FROM THE NATIONAL BANK OF COMMERCE,
CITY NATIONAL BANK OF BATON ROUGE AND WISCONSIA NATIONAL BANK

EDWARD TAMM

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

SENT VIA

4⁰⁰ P M

Per

A

45

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:COH

June 28, 1939

Time: 5:25 p.m.

MEMORANDUM FOR THE FILE

RE: POLITICAL SITUATION IN LOUISIANA
DR. JAMES MONROE SMITH

I called SAC Sackett at New Orleans and informed him the Director had stated it would be satisfactory to investigate the loans obtained by Dr. James Monroe Smith totaling \$500,000.00, set out in a previous memorandum of a telephone call from Mr. Sackett.

In answer to Mr. Sackett's inquiry as to whether a check had been made at the Passport Division of the Department of State, he was informed that both Dr. Smith and his wife have passports issued May 8, 1937, which can be renewed merely by request at any Passport Agency, and that the State Department has been requested to place stops against the passports every place. Mr. Sackett stated that Mrs. Smith return from a trip to Europe about three or four weeks ago. He is therefore having some of the Counsels checked to determine whether any visas were taken.

RECORDED

Mr. Sackett stated that A. P. Tugwell, State Treasurer, has been interviewed. He could furnish nothing but general information already in the Bureau's possession.

Attempts to interview J. Emery Adams, the nephew of Mrs. Smith, thus far have been unsuccessful.

J. A. TAMM

5-162-8X2-

RECORDED COPY OF FILE

62-3209-12

875

46

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

JUN 22 1939

RECORDED & INDEXED
TELETYPE

FEDERAL BUREAU OF INVESTIGATION

JUN 30 1939

U. S. DEPARTMENT OF JUSTICE

FBI NEW ORLEANS 6-27-39 9-45

DIRECTOR

RE LOUISIANA POLITICAL SITUATION. I HAVE JUST DETERMINED FROM GENERAL GUERRE, SUPERINTENDENT OF STATE POLICE, THAT HE HAS NO LEADS AS TO PRESENT WHEREABOUTS OF DR JAMES MONROE SMITH. SMITH'S WIFE, NEPHEW, EMORY ADAMS, WHO GUERRE SAYS DROVE SMITH AWAY FROM BATON ROUGE, SURRENDERED TO STATE POLICE LAST NIGHT AT BATON ROUGE, IS BEING HELD AS MATERIAL WITNESS MAKING FIVE THOUSAND DOLLAR BOND. GUERRE SAYS ADAMS REFUSES TO TALK OR IN ANY WAY DISCLOSE WHERE HE TOOK SMITH UPON ADVICE OF HIS COUNSEL, A WARRANT WAS ISSUED LAST NIGHT BY THE DISTRICT COURT, EAST BATON ROUGE PARISH, CHARGING JAMES MONROE SMITH WITH HAVING EMBEZZLED ONE HUNDRED THOUSAND DOLLARS. FROM LATEST INFORMATION AT HAND IT APPEARS THAT DURING PAST WEEK OR TEN DAYS SMITH SECURED AN ILLEGAL LOAN FOR THE UNIVERSITY FROM THE BANK IN THE SUM OF ONE HUNDRED THOUSAND DOLLARS. DEPOSITING THIS SUM TO HIS BANK ACCOUNT AND WITHDRAWING SAME BY CASHIER'S CHECK IN ORDER TO PAY BROKERAGE ACCOUNT AND WITHDRAW FRAUDULENT LSU BONDS PLACED THERE AS COLLATERAL. THIS CONSTITUTES THE BASIS FOR THE EMBEZZLEMENT WARRANT. STATE AUDITORS PRESENTLY CHECKING FURTHER INTO ACCOUNTS LSU TO ASCERTAIN WHETHER OTHER IRREGULARITIES COMMITTED BY SMITH. GUERRE EXPECTS TO ISSUE A BULLETIN GIVING PHOTOGRAPH AND DESCRIPTION OF SMITH SOME TIME TODAY WHICH HE WILL SEND ALL OVER UNITED STATES. HE HAS NOT LOCATED ANY FINGERPRINTS OF SMITH. SUGGEST BUREAU EXAMINE CIVILIAN FINGERPRINT FILES FOR POSSIBILITY OF FINGERPRINT RECORD OF SMITH. NONE OF THE PRESS ACCOUNTS INDICATE OUR BUREAU IS IN ANY WAY INTERESTED IN THIS SITUATION.

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Lawler
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

RECORDED
INDEXED
44-112

Handwritten note: James Monroe Smith

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:GVC

June 28, 1939

Time: 2:45 p.m.

Geo

MEMORANDUM FOR THE FILE

RE: LOUISIANA POLITICAL SITUATION
DOCTOR JAMES MONROE SMITH

T
W
1
I called SAC Sackett in New Orleans and informed him that the International News Service here has the story that Doctor Smith has been located by the FBI and that they are about to begin questioning him. Mr. Sackett said he had not heard anything of this. I told him also that we have checked in the fingerprint bureau on Smith and there is nothing there on him.

According to Mr. Sackett, some additional information on Mr. and Mrs. Smith is as follows:

MRS. SMITH

Mrs. Smith's maiden name was Thelma Ford. She is 42 years of age, is 5 feet 4 inches in height, weighs 135 pounds, and has dark grayish hair.

DOCTOR JAMES MONROE SMITH

Doctor James Monroe Smith was born in Jackson Parish, Louisiana, October 9, 1888. His height is 6 feet, weight 190 pounds, and has a ruddy complexion. His hair is black on sides and back, slightly gray, bald on top. He is a neat dresser and carries his right shoulder lower than his left.

SAC Sackett informed me that the Smith family was very uncooperative.

E
J. E. A. TAMM

62 32509-1

FEDERAL BUREAU OF INVESTIGATION
JUL 6 1939
U. S. DEPARTMENT OF JUSTICE
FILES TWO

44

RECORDED COPY FILED IN 5 - 162 - 41

JPS:MEC

7 p.m.

June
July 29, 1939

MEMORANDUM FOR THE FILE

Re: Political Situation in Louisiana
Dr. James Monroe Smith.

I telephonically contacted SAC Bugas at Detroit and suggested to him that he advise the Canadian Mounted Police of the information that Dr. Smith and his wife had entered the Dominion of Canada, and also the information concerning the automobile they have in their possession.

SAC Bugas advised that Captain Diamond of the Michigan State Police, as well as the Detroit Police Department, had requested the Canadian authorities to close the ports of exit in an effort to apprehend the Smiths. He suggested that he could contact Commissioner Ward of the Canadian Mounted Police in a discreet manner in order that the Bureau would be advised of any developments in the location of Smith. I instructed him to contact Commissioner Ward.

J. P. Sears

Mr. Tolson.....
Mr. Nathan.....
Mr. E. A. Tamm.....
Mr. Clegg.....
Mr. Coffey.....
Mr. Egan.....
Mr. Glavin.....
Mr. Crowl.....
Mr. Harbo.....
Mr. Lester.....
Mr. Lawler.....
Mr. Nichols.....
Mr. Rosen.....
Mr. Sears.....
Mr. Tamm.....
Mr. Tracy.....

RECORDED
&
INDEXED

62-32509-122
FEDERAL BUREAU OF INVESTIGATION
JUL 6 1939
U. S. DEPARTMENT OF JUSTICE
FILES SAMM TWO

ORIGINAL FILED IN

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:COH

June 28, 1939

Time: 12:05 p.m.

MEMORANDUM FOR THE DIRECTOR

RE: POLITICAL SITUATION IN
LOUISIANA

RECORDED & INDEXED

SAC Sackett called from New Orleans in conformity with your telephonic instructions to him last night to the effect that Dr. James Monroe Smith, ex-President of Louisiana State University, be looked for and that in the event Attorney Rene A. Viosca should ask Mr. Sackett for any kind of assistance, Sackett should immediately contact you through the Bureau.

Mr. Viosca came to the New Orleans Office at 10:00 a.m. this morning. Viosca had received a telephone call from Attorney General Murphy last night in which Viosca was instructed to go into the entire setup in Louisiana, to contact all Federal Agencies and secure any information indicating any kind of a Federal violation, to look into all evidence of any kind respecting graft, corruption, et cetera, in the State Government, and to ask for any assistance he needed.

According to Mr. Sackett, Viosca is not exactly clear on what is desired by the Attorney General and Sackett thinks he will have to be led along. Viosca is not confident of the accuracy or thoroughness of the WPA investigation that has been made into the alleged irregularities at Louisiana State University as charged in the Washington Merry-go-Round. He has not to date been able to get any information from the WPA Investigators; however, the Agent in Charge of the WPA Office in New Orleans is returning from Washington tomorrow at which time Viosca will confer with him. The United States Attorney will not decide on whether he will ask the FBI to investigate these irregularities until he has had a chance to get the details of the WPA investigation.

In accordance with the directions of the Attorney General, Mr. Viosca has requested that the FBI immediately institute a general and broad inquiry over the State of Louisiana to determine any evidence of irregularities. It is Viosca's idea that we should talk to such persons as A. F. Tugwell, presently State Treasurer and who in the past few days bitterly denounced the administration and indicated he had

RECORDED COPY FILED IN

50

MEMO FOR THE DIRECTOR

6-28-39

considerable information against the administration. Also Alice Lee Trojean, who was Huey Long's secretary and who occupied a state office until about five months ago at which time she was ousted by Leche; and Jimmy Nau, as well as others.

With respect to Dr. James Monroe Smith, Attorney General Murphy is stated to have told Viosca that he would have the Internal Revenue Bureau which had been working on an income tax case against Smith for some time send all the information to Viosca for his consideration and possibly the filing of an income tax complaint against Smith. In the event the U. S. Attorney issues such a complaint, he will ask the FBI to look for Smith, otherwise he has no intention at the present time of issuing a subpoena for Smith which would be a basis upon which the Bureau would look for Smith.

U. S. Attorney Viosca, according to Mr. Sackett, is very interested in the kick back racket in Louisiana. Mr. Sackett stated that Bureau file 86-1045 concerning C. B. Martin gives information concerning this racket, the investigation having been made by the Bureau in October, 1938. This relates to the practice of the State employees paying five percent of their salaries into a state fund to be used for political purposes. Viosca maintains that the Federal Government made outright grants to the State of Louisiana which money was intermingled with the State funds so that when the state employees made the five percent contributions they were violating a Federal law. According to the file the Department considered this matter and ruled it was not a violation of a Federal Law. It is Viosca's desire to reopen this case.

Mr. Sackett stated he would take no action concerning Viosca's request without advice from the Bureau. However, he is proceeding with the other angles that you requested him to look into.

12:25 p.m.

I called Mr. Sackett and informed him you had instructed that he go ahead on Viosca requests respecting the interviews outlined above and on the kick back case. I further informed him you had requested that the matter be handled with some discretion; that is, to avoid making any comment or doing anything that would indicate we are conducting an investigation. Sackett also was advised that you do not wish him

51

MEMO FOR THE DIRECTOR

6-28-39

to make any move on any other requests of Viosca without your specific authorization. Sackett also was advised not to give progress reports to the U. S. Attorney; that you desire everything obtained transmitted to you first and that then from time to time Sackett will be authorized specifically to furnish the U. S. Attorney information.

I requested Mr. Sackett to send a teletype to the Bureau at least once a day and more frequently if it appears desirable summarising the nature of the information obtained.

At this time Mr. Sackett furnished the following further developments:

Attorney General Ellison has J. Emery Adams, the nephew of Mrs. Smith who drove the Smiths to Memphis, under his wing and will not even permit General Gere of the State Police to talk to him. All the Smith family in Baton Rouge, including the daughter and twenty-one year old son, have declined to talk to the State Police and the State Police has developed absolutely nothing with respect to Smith's background.

Mr. Sackett suggested that a check be made at the Department of State in Washington to see whether a passport has been issued Smith. The information that Smith took a train for Chicago has been partially verified by the Memphis Office.

It was further suggested that the War and Navy Departments be contacted for possible fingerprints. Sackett stated that Smith is approximately fifty-one years of age.

J. Emery Adams is presently before a Grand Jury in Baton Rouge after which Mr. Sackett will endeavor to have him brought to the New Orleans Office for interview.

With respect to newspaper publicity, I instructed Mr. Sackett that when inquiries are received he is neither to confirm nor deny that the Bureau is making any investigation into this matter.

Respectfully,

E. A. TAMM

50

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

JFS:DF

June 29, 1939

MEMORANDUM

Re: ⁰POLITICAL SITUATION IN ⁰LOUISIANA

MS.
At 12:25 P. M., I telephonically communicated with SAC Sackett and requested him to ascertain all information as to the activities of Dr. Smith, particularly to develop if Dr. Smith has ever taken vacations in the Canadian woods or in the North woods. Mr. Sackett advised he was preparing a teletype on later developments in this case, and which information is set forth in his teletype of this date.

U
Mr. Sackett likewise advised that Miss Alice Lee Grossjean, former secretary to Huey P. Long, is now married to W. A. Tharpe, who is presently visiting E. L. Cord, automobile and aeroplane magnate, 811 Hillcrest Drive, Beverly Hills, California. I advised Mr. Sackett I would request the Los Angeles Office to conduct the necessary investigation. W.A.

At 3:25 P. M., SAC Hood was requested to conduct the necessary investigation with Mrs. Tharpe concerning her knowledge of the activities of the present administration of the State of Louisiana. Mr. Hood was likewise advised that the Bureau was making a discreet inquiry to locate Dr. Smith and the investigation should be handled accordingly.

J. F. Sears

RECORDED
&
INDEXED

62-589-120

SPARE AT

FEDERAL BUREAU OF INVESTIGATION
JUN 30 1939
U. S. DEPARTMENT OF JUSTICE
TAMM TWO NICHOLS

RECORDED COPY FILED IN 5-162-24

AR:CON

Time: 5:35 P.M.

June 29, 1939

MEMORANDUM FOR MR. TAMM

RE: ⁰ POLITICAL SITUATION IN
LOUISIANA
DR. JAMES MONROE SMITH

RECORDED & INDEXED

FEDERAL BUREAU OF INVESTIGATION

JUL 19 1939

SAC Sackett called from New Orleans and stated the United States Attorney would like for the Bureau to get transcripts of the records for 1937, 1938 and 1939 of a lumber concern believed to be the Independence Lumber Company of Covington, Louisiana.

The U. S. Attorney has talked to Paul Hanson, who is in charge of the FIA Investigators in New Orleans, and question him about what information he might have concerning irregularities and particularly about any evidence against ex-Governor Leche. It appears that Hanson interviewed Leche concerning FIA labor and materials alleged to have been used on his private home in Covington, Leche having built a \$75,000.00 home and made certain grounds into a park. Leche claims he paid George Caldwell, Superintendent of Construction at Louisiana State University, for the labor on his home and that he used his own money in paying for the material. The lumber is supposed to have been purchased from the Independence Lumber Company of Covington, Louisiana, and Leche states he paid this company for the lumber.

Paul Hanson has not gone to the Independence Lumber Company to verify Leche's statement and the U. S. Attorney is not satisfied with Hanson's investigation. The U. S. Attorney would like for the FBI to obtain transcripts of records from this company pertaining to purchases, payments, et cetera but does not wish Hanson to know we are taking such action. After this information is obtained, Mr. Sackett stated that the U. S. Attorney probably will desire further investigation conducted in this respect by the FBI.

The FIA Investigators are not sure about the name of the lumber company, that is, The Independence Lumber Company; however, they are to endeavor to definitely establish the name of this company.

Mr. Hanson has six men working on the investigation and has

COPIES DESTROYED

170 SEP 17 1964

RECORDED COPY FILED IN 5-162-44X1

16-1045-20X
74-4-1785-14X

54

MEMO FOR MR. TAME

6-29-38

told the U. S. Attorney he will be able to furnish a picture of the situation in about three or four days. It is the opinion of the U. S. Attorney that information will be developed upon which approximately ten cases against officials in connection with WPA labor and materials may be made.

Mr. Sackett requested that the Director be informed of the request for the FBI to obtain the records at the Lumber Company.

Mr. Sackett referred to his teletype to the Bureau today concerning an account that was closed out by three checks totaling \$42,000.00. ~~Fenner and Beane~~ gave these three checks and they were placed through the bank account of and made payable to J. M. Brown, a broker, in the Louisiana Savings Bank. These checks have been obtained and Mr. Sackett was the first to view them. They were placed through Brown's account so there is no indication of Smith's endorsement on the checks.

Mr. Sackett stated there is no doubt but that Smith received part of the money and that since he was so closely associated with Brown, it is logical to assume Brown has knowledge of Smith's whereabouts. Mr. Sackett inquired as to whether the Director would want him to question Brown. Should Brown be questioned, Mr. Sackett stated he probably would be accompanied by his attorney who is a law partner of Earl Long, Glen Schert. Mr. Sackett also would like to be informed as to whether the Director would desire a transcript of Brown's bank account at the Louisiana Savings Bank.

I asked Mr. Sackett if he had obtained any information regarding Smith's habits and was informed efforts were being made to do so but that very little information had been secured.

A newspaper contact notified Mr. Sackett that the Detroit Police is supposed to have positively identified Smith's wife as having purchased an automobile from a dealer in Detroit Tuesday afternoon. Mrs. Smith used the name of J. H. Smith and introduced the man with her, who was identified from pictures as Smith, as J. L. Southern. They are supposed to have loaded six or seven pieces of baggage in the car and left the dealer's place after paying for the car in cash. Mr. Sackett has the Detroit Office checking this at the present time.

Respectfully,

A. R. LEE

56

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

JUN 27 1939

TELETYPE

Mr. Tolson ✓
Mr. Nathan ✓
Mr. E. A. Tamm ✓
Mr. Clegg ✓
Mr. Coffey ✓
Mr. Egan ✓
Mr. Glavin ✓
Mr. Gurnea ✓
Mr. Harbo ✓
Mr. Lester ✓
Mr. Lawler ✓
Mr. Nichols ✓
Mr. Rosen ✓
Mr. Sears ✓
Mr. Quinn Tamm ✓
Mr. Tracy ✓
Miss Gandy ✓

RECORDED COPY FILED IN 5-162-31

FBI NEW ORLEANS 6-26-39 11-15 PM WH

DIRECTOR

RE POLITICAL SITUATION. THE STATE POLITICAL DEMOCRATIC ORGANIZATION HAS CONTROLLED STATE POLITICAL OFFICES WITH THE EXCEPTION OF PERIOD WHEN LONG WAS FIGHTING NEW ORLEANS CITY ADMINISTRATION. PARTY CANDIDATES ARE CHOSEN AT CAUCUS OF PARTY. NEXT CAUCUS TO BE HELD LATE OCTOBER OR NOVEMBER NEXT TO CHOOSE CANDIDATE FOR STATE OFFICES INCLUDING GOVERNOR. LECHE HAS BEEN GOVERNOR SINCE MAY TWELFTH NINETEEN THIRTY SIX.

RECORDED & INDEXED

VARIOUS POLITICIANS FOR PAST YEAR HAVE TALKED ABOUT CANDIDACY. INVESTIGATION HOWEVER, THE FOLLOWING THREE ARE MOST PROMINENT CANDIDATES FOR 1939 GOVERNOR. LIEUTENANT GOVERNOR EARL K LONG, BROTHER OF HUEY, ALLEGEDLY HAS INSIDE TRACK, HAS HINTED, AND RECENTLY OPENLY STATED HE HAD BEEN PROMISED THE GOVERNORSHIP BY THE PARTY LEADERS FOUR YEARS AGO AND THAT MAYOR MAESTRI WOULD SUPPORT HIM.

JAMES ALBERT NOE STATE SENATOR FROM MONROE, CLOSE FRIEND OF HUEY WHO BROKE WITH LECHE ADMINISTRATION LATTER PART OF NINETEEN THIRTY SIX IS LONGS PRINCIPAL OPPONENT FOR GOVERNORSHIP. NOE VERY BITTERLY ANTI ADMINISTRATION. BACKGROUND REGARDING NOE TELEPHONICALLY FURNISHED BUREAU NINETEEN INSTANT.

62-32509-119

U. S. DEPT. OF JUSTICE
RECEIVED
JUN 27 1939
TWO

Fin

56

0 Cured Condition
W. P. A. Louisiana

PAGE TWO

WAGE O' MARTIN PRESENTLY CHAIRMAN STATE PUBLIC SERVICE COMMISSION IS THE THIRD PROMINENT CANDIDATE BUT HAS NOT BEEN MAKING A VERY VIGOROUS CAMPAIGN AND IS NOT CONSIDERED TO HAVE MUCH OF A CHANCE FOR ELECTION.

ON THE TWENTY SECOND INSTANT A P. TUGWELL PRESENTLY STATE TREASURER

~~ANNOUNCED INTENTION~~

~~XXX~~

ANNOUNCED CANDIDACY, SAME BEING DAY FOLLOWING GOVERNOR LECHE'S ANNOUNCED INTENTION TO RESIGN. DURING THE PAST FEW DAYS HE HAS BEEN VIOLENTLY ANTI ADMINISTRATION AND ANTI EARL K LONG. ALSO RUMORED THAT ATTORNEY GENERAL DAVID M'ELLISON WAS BEING GROOMED BY LECHE FOR GOVERNORSHIP NEXT YEAR HOWEVER THIS NOT SUBSTANTIATED.

MAYOR ROBERT S. MAESTRI OF NEW ORLEANS CONCEDED TO BE THE DOMINANT^N POLITICAL FIGURE. VOTING STRENGTH OF NEW ORLEANS IS SUCH THAT SUBSTANTIAL MAJORITY IN CITY WOULD OVERCOME MAJORITY REST OF STATE.

MAESTRI IS ACCEPTED POLITICAL LEADER IN NEW ORLEANS HENCE ALL CANDIDATES CURRY HIS FAVOR AND SUPPORT.

THE NEWSPAPER CAMPAIGNS OF THESE CANDIDATES PROGRESSED NORMALLY UNTIL NINTH INSTANT WHEN NEW ORLEANS STATES AN ANTI ADMINISTRATION PAPER PUBLISHED PHOTOGRAPHS SHOWING A TRUCK, PROPERTY OF LOUISIANA STATE UNIVERSITY, DELIVERING BUILDING MATERIALS TO PRIVATE RESIDENCE ON PROPERTY OF AN INTIMATE FRIEND OF GOVERNOR LECHE. THE STATES AND

51

PAGE THREE

ITS MORNING PAPER THE NEW ORLEANS TIMES PICAYUNE CONDUCTED VIGOROUS CAMPAIGN EXPOSING THESE CONDITIONS EVER SINCE THEN. ON THE NINTH INSTANT ATTORNEYGENERAL ELLISON ORDERED PUBLIC HEARINGS REGARDING THESE ALLEGED IRREGULARITIES TO BE HELD FIFTEENTH INSTANT ON JUNE THIRTEENTH HOWEVER LECHE ANNOUNCED THAT PUBLIC HEARING WAS INDEFINITELY POSTPONED, STATING A BROADER INVESTIGATION WAS UNDERWAY. RECORDS OF LOUISIANA STATE UNIVERSITY MILL WORK WERE NOT MADE AVAILABLE TO NEWSPAPER REPORTERS OR OUTSIDERS.

ON JUNE FOURTEENTH, FIFTEENTH, SIXTEENTH AND SEVENTEENTH DR JAMES MONROE SMITH, PRESIDENT LOUISIANA STATE UNIVERSITY, COULD NOT BE FOUND BY REPORTERS FOR QUESTIONING.

THE JUNE SEVENTEENTH ISSUE OF THE ^RSHREVEPORT LOUISIANA JOURNAL QUOTED WASHINGTON MERRY GO ROUND COLUMN WHICH INCLUDED AN ARTICLE ENTITLED " WPA CORRUPTION IN LOUISIANA " QUOTING ONE FULL AFFIDAVIT SIGNED BY SIX MEN ALLEGING VARIOUS IRREGULARITIES. THIS ENTIRE ARTICLE READ INTO CONGRESSIONAL RECORD IN US SENATE A FEW DAYS LATER AND BUREAU FURNISHED WITH COMPLETE CLIPPINGS THIS REGARD. DIVISION OF INVESTIGATIONS WPA AT NEW ORLEANS HAS BEEN CONDUCTING INVESTIGATION OF WPA MATTERS AT BATON ROUGE SNCE THAT TIME. I RECEIVED CONFIDENTIAL INFORMATION SIXTEEN AFFIDAVITS ALLEGING WPA

50

PAGE FOUR

IRREGULARITIES WERE SENT TO CHICAGO TRIBUNE NEWSPAPER AND APPARENTLY^A THEREAFTER CAME INTO POSSESSION OF PEARSON AND ALLEN WHICH WAS BASIS FOR THE ARTICLE APPEARING IN THEIR WASHINGTON MERRY^{GO} ROUND. USA RENE A VIOLSCA NEW ORLEANS TODAY ANNOUNCED HE WOULD HAVE FEDERAL GRAND JURY NEW ORLEANS COMMENCING ~~THIRTIETH~~ THIRTIETH INSTANT INVESTIGATE THESE CHARGES OF WPA GRAT^F AND CORRUPTION, WAS SUBPOENAEING INVESTIGATORS AND OTHER WITNESSES TO TESTIFY.

ON JUNE NINETEENTH DR JAMES MONROE^Y SMITH STATED SALE TO PRIVATE INDIVIDUALS OF ^{U.S. WORK} ~~WORK~~ DONE AT UNIVERSITY WAS AGAINST UNIVERSITY POLICY. PREVIOUSLY GOVERNOR LECHE HAD STATED THERE WAS NOTHING UNUSUAL ABOUT SELLING WORK TO PRIVATE INDIVIDUALS.

ON EVENING JUNE TWENTY FIRST GOVERNOR RICHARD LECHE ANNOUNCED HIS INTENTION TO RESIGN AS GOVERNOR TODAY GIVING AS REASONS ILL HEALTH, CLAIMING DOCTORS TOLD HIM HE WOULD HAVE TO RESIGN AT ONCE IF HE EXPECTED TO RECOVER. APPARENTLY ELLISON, EARL LONG, MAYOR ~~MAESTRI~~ MAESTRI AND SEYMOUR WEISS WERE IN CONFERENCE WITH LECHE IMMEDIATELY PRECEDING ANNOUNCEMENT.

FOLLOWING DAY MAYOR MAESTRI TACITLY EXPRESSED HIS SUPPORT OF EARL LONG AS GOVERNOR, SEYMOUR WEISS^N ALSO PROCLAIMING HIS FRIENDSHIP AND SUPPORT OF LONG.

51

PAGE FIVE

ON MORNING JUNE TWENTY SECOND LECHE APPARENTLY FELT A GREAT DEAL BETTER PHYSICALLY SINCE HE WAS VERY GAY AND WAS NOT CONFINED TO BED ENTIRELY. THIS FACT COMMENTED UPON RATHER SARCASTIALLY BY NEWSPAPERS. LECHE ALSO STATED LATER ONE OF HIS PRINCIPAL REASONS FOR RESIGNING WAS HIS DESIRE TO TRAVEL INTENDING TO VISIT WEST COAST AND HONOLULU.

SEVERAL BELIEFS ARE PREVALENT CONCERNING REASON FOR LECHE'S RESIGNATION. ONE IS THAT LECHE HOPED TO SECURE POSITION OF US M JUDGE ABOUT THIS TIME AND RESIGN SO THAT LONG COULD TAKE OFFICE AS GOVERNOR AND WIN THE CONFIDENCE AND SUPPORT OF PEOPLE FOR PARTY NOMINATION THIS FALL AND THAT HAVING GIVEN UP HOPE OF OBTAINING JUDGESHIP LECHE HAD TO RESIGN AT THIS TIME ANYWAY IN ORDER FOR LONG TO TAKE OFFICE IN ACCORDANCE WITH PLANS. THE OTHER BELIEF IS THAT LECHE RESIGNED SO THAT LONG COULD BE PUT IN OFFICE NOW IN ORDER THAT HE COULD MAKE A FOOL OF HIMSELF BETWEEN NOW AND PRIMARY ELECTION SO THAT PARTY LEADERS WOULD BE JUSTIFIED IN BREAKING THEIR PROMISE BY WITHDRAWING THEIR SUPPORT OF LONG. INDICATIONS ARE THAT PARTY LEADERS ~~ARE~~ FEAR LONG, DO NOT WANT HIM IN ~~OFFICE~~ OFFICE, AS LONG ALLEGEDLY VINDICTIVE AND VICIOUS AND CAN NOT BE CONTROLLED.

65

PAGE SIX

LECHE AFTER CONFERENCE WITH MAESTRI, LONG AND OTHERS ANNOUNCED INTENTION TO RESIGN AT ELEVEN AM TODAY, LONG TO BE SWORN AS GOVERNOR IMMEDIATELY THEREAFTER. AT TEN TWENTY FIVE PM LAST NIGHT LECHE HANDED NEWSPAPER MEN WRITTEN STATEMENT INDICATING DR JAMES MONROE SMITH PRESIDENT LOUISIANA STATE UNIVERSITY APPARENTLY GUILTY MISAPPROPRIATION OF UNIVERSITY FUNDS AMOUNTING TO "SEVERAL HUNDRED THOUSAND DOLLARS" AND SMITH HAD DISAPPEARED FROM BATON ROUGE. IN VIEW OF THESE DEVELOPMENTS, LECHE ANNOUNCED HE WOULD NOT RESIGN TODAY AS ~~AS~~ SCHEDULED.

HAVE ALREADY ADVISED YOU CONCERNING SITUATION INVOLVING JAMES MONROE SMITH. AT FOUR TEN THIS AFTERNOON A STATEMENT WAS ISSUED BY LONG THAT LECHE WOULD NOT RESIGN "FOR SEVERAL DAYS YET" HOWEVER AT SIX THIRTY TONIGHT LECHE ANNOUNCED HIS RESIGNATION AND WITHIN THE HOUR LONG WAS SWORN IN AS GOVERNOR AT BATON ROUGE. I ADVISED YOU OF THESE DEVELOPMENTS AT THE TIME OF OCCURRENCE. IT IS GENERALLY BELIEVED THAT LECHE GAVE SMITH SEVERAL HOURS HEAD START TO LEAVE BATON ROUGE BEFORE MAKING KNOWLEDGE OF RESIGNATION AND IRREGULARITIES PUBLIC. APPARENTLY SMITH HANDED RESIGNATION TO LECHE PERSONALLY AT FOUR PM YESTERDAY HOWEVER NO SEARCH APPARENTLY STARTED FOR SMITH UNTIL EIGHT PM.

61

PAGE SVEN

BOARD OF ADMINISTRATORS LOUISIANA STATE UNIVERITY THIS AFTERNOON ELECTED E S RICHARDSON AS PRESIDENT OF LSU, LECHE PARTICIPATING AS EXOFFICIO MEMBER. LECHE RESIGNED IMMEDIATELY AFTER THE CONCLUSION OF BOARD MEETING.

GENERAL OPINION APPARENTLY IN^NEW ORLEANS TONIGHT IS THAT BLOWUP WITH RESPECT TO SMITH IS JUST BEGINNING OF GENERAL BLOWUP THROUGHOUT WHOLE STATE ADMINISTRATION, THAT OTHER MORE STARTLING DISCLOSURES OF GRAFT AND CORRUPTION ETC WILL COME TO LIGHT.

NOTHING SPECIFIC IN THIS REGARD HOWEVER. IT DOES NOT APPEAR TO BE GENERAL BELIEF SO FAR AS I CAN[/]DETERMINE THAT SMITH IS TAKING BLAME FOR OTHERS. ~~CHIX~~ GENERAL OPINION HOWEVER IS THAT ALL STATE OFFICIALS IMPLICATED IN VARIOUS IRREGULARITIES NOT NECESARILY IMPLICATED WITH SMITH IN THIS ONE. IT IS BELIEVED THAT LECHE IS VERY ANXIOUS TO LEAVE LOUISIANA AND WILL PROBABLY SUDDENLY BECOME WELL ENOUGH TO TRAVEL AND WILL LEAVE WITH HIS FAMILY ON EXTENSIVE VACATION. ENTIRE STATE IN TURMOIL OVER DEVELOPMENTS TODAY ALMOST AS BAD AS DAY HUEY LONG WAS SHOT.

I AM TONIGHT MAILING YOU COMMUNICATIONS GIVING DETAILS OF SITUATIONS MENTIONED HEREIN AND WILL KEEP YOU ADVISED CONCERNING FURTHER DEVELOPMENTS. COMPLETE NEWSPAPER CLIPPINGS HAVE BEEN SENT BUREAU AMASD. SACKETT

END

OK FBI WASHINGTON DC FS

62

LIVE - TIME.

Your Huey Long picture and story in recent issue of - LIFE
Last paragraph of - mystery - .

A Mississippi river pilot in South Channel of delta told me that part of the story in January, 1938. He went on to say that the body was buried in or under a huge block of concrete on the State House Square and that one of Mr. Long's body guards was in a sanitarium.

If - mystery - there be, a J. Edgar Hoover operative ought to be able to learn from the undertaker whether the fatal shots were fired from behind instead of in front or on the side when the young man approached Mr. Long, who recognized him, and called to his body guards - "Let him have it" - .

Chicago - Illinois.
Saturday - July 1, 1939.

I was a passenger on a freighter.
RECORDED
&
INDEXED

62-32509-
FEDERAL BUREAU OF INVESTIGATION

JUL 5 1939

U. S. DEPARTMENT OF JUSTICE

TWO

COMMUNICATION
KEEP ENVELOPE ATTACHED

WORKS PROGRESS ADMINISTRATION

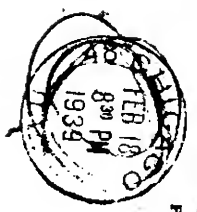
(ILLINOIS)

OFFICIAL BUSINESS

FEDERAL MUSIC PROJECT

632 N. DEARBORN ST.

Mr. John, Edgar Hoover
Department of Justice
Washington - D. C.



PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF P.C.



JLB:MC

JUL 15, 1939

RECORDED

62-32649-117

Special Agent in Charge
New Orleans, Louisiana

Re: JAMES MONROE SMITH;
Miscellaneous - Expenditure of
Funds of Louisiana State
University.

Dear Sir:

Reference is made to your letter, dated June 20, 1939, transmitting therewith a photograph of James Monroe Smith, together with a photograph of Mrs. Theina Ford Smith, with the request that twenty copies of each of these photographs be made and the Chicago, Memphis, Detroit, Buffalo, Boston and New York offices be furnished with two copies thereof.

Inasmuch as there is no need for the dissemination of these photographs at the present time, the originals are being returned herewith.

Very truly yours,

John Edgar Hoover
Director

Enclosures

No copies of enclosures retained Bu file

Mr. Tolson	.....
Mr. Nathan	.....
Mr. E. A. Tamm	.....
Mr. Clegg	.....
Mr. Coffey	.....
Mr. Egan	.....
Mr. Glavin	.....
Mr. Crowl	.....
Mr. Harbo	.....
Mr. Lester	.....
Mr. Lawler	.....
Mr. Nichols	.....
Mr. Rosen	.....
Mr. Tracy	.....
Mr. Quinn Tamm	.....
Mr. Nease	.....
Miss Gandy	.....

ORIGINAL FILED IN 62-32649-117

65

C
P
Y
(mcw)

HOTEL HEIDELBERG

Baton Rouge, La.

June 29, 1939

Director,
Federal Bureau of Investigation,
Washington, D. C.

Re: James Monroe Smith
Miscellaneous -
Embezzlement of funds
of Louisiana State
University.

Dear Sir:

Enclosed are a photograph of James Monroe
Smith and a photograph of Mrs. Thelma Ford Smith,
his wife. Please furnish this office twenty copies
of each of these photographs by airmail and furnish
two copies each to the Chicago, Memphis, Detroit,
Buffalo, Boston and New York Offices.

Very truly yours,

B. E. SACKETT,
Special Agent in Charge.
(Per CEW)

RECORDED

INDEXED

62-32509-117

FEDERAL BUREAU OF INVESTIGATION
JUL 5 1939
U. S. DEPARTMENT OF JUSTICE

ORIGINAL FILED IN 62-162-17

AR:RLA

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

RECORDED

To: COMMUNICATIONS SECTION.

62-32509-116

JUNE 25, 1960

Transmit the following message to:

MR. LEE FRANKLIN
JENNINGS, LOUISIANASUGGEST YOU CONTACT LOCAL AUTHORITIES AS NO FEDERAL
VIOLATION INDICATED BY YOU.

JOHN EDGAR HOOVER, DIRECTOR

FEDERAL BUREAU OF INVESTIGATION

COPIES DESTROYED

170 SEP 17 1964

SENT VIA

FEDERAL BUREAU OF INVESTIGATION

M

Per

A

67

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

JUN 25 1939

WESTERN UNION

Mr. Tolson	
Mr. Nathan	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Coffey	
Mr. Egan	
Mr. Glavin	
Mr. Gurnea	
Mr. Harbo	
Mr. Lester	
Mr. Lawler	
Mr. Nichols	
Mr. Rosen	
Mr. Sears	
Mr. Quinn Tamm	
Mr. Tracy	
Miss Gandy	

L

WHOS 39 COLLECT

JENNINGS LA JUN 25 125P

✓ EDGAR J HOOVER

CHIEF BUREAU OF INVESTIGATION WASHDC

THERE IS A POLITICAL PLOT AGAINST MY LIFE AND OF MINE AND
MY FAMILY PROPERTY BY LOUISIANA POLITICAL MACHINE
AND THEIR HENCHMEN AND KNOW PERSONAL ENEMIES

OFFERS FAILED TO PROTECT

ME. RUSH SECRET OPERATIVES TO JENNINGS AT ONCE

LEE FRANKLIN.

319P

RECEIVED

RECEIVED

32509-116
JUN 25 1939
U. S. DEPARTMENT OF JUSTICE
RECEIVED

6/25/39

handled

copy to Mr. Tamm

ROSEN

68

CARBON
COPY

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

JUN 26 1939

TELETYPE

Mr. Tolson.....
Mr. Nathan.....
Mr. E. A. Tamm.....
Mr. Clegg.....
Mr. Coffey.....
Mr. Egan.....
Mr. Glavin.....
Mr. Crowl.....
Mr. Harbo.....
Mr. Lester.....
Mr. Lawler.....
Mr. Nichols.....
Mr. Rosen.....
Mr. Sears.....
Mr. Quinn Tamm.....
Mr. Tracy.....
Miss Gandy.....

FBI NEW ORLEANS 6-26-39 5 6-35 PM WH

DIRECTOR

GOVERNOR RICHARD W. LECHE OF LOUISIANA DID NOT RESIGN TONIGHT
AS EXPECTED. LIEUTENANT GOVERNOR LONG ISSUED STATEMENT TO
EFFECT THAT LECHE WOULD NOT RESIGN FOR "SEVERAL DAYS" YET.
STATE POLICE AS YET UNABLE TO DETERMINE PRESENT WHEREABOUTS
DR JAMES MO NROE SMITH.

SACKETT

END

OK FBI WASH DC JAR

RECORDED
&
INDEXED

62-32509-115X
FEDERAL BUREAU OF INVESTIGATION
JUN 30 1939
U. S. DEPARTMENT OF JUSTICE
TOLSON
TAMM
WFO
NICHOLS

ORIGINAL FILED IN 44-4-1785-12

69

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:DM

June 22, 1939

continued situation

(m)

MEMORANDUM FOR THE DIRECTOR

With reference to the memorandum addressed to me under date of June 17, 1939, concerning the obtaining of background data concerning former Lieutenant-Governor of Louisiana, Mr. X Noe, this information has been obtained and the telephonic report thereupon has been turned over to Mr. Tracy. When the complete data in letter form is received from New Orleans it will be transmitted to Mr. Tracy. I misunderstood the situation with reference to this information and made available copy of Mr. Sackett's memorandum to the Attorney General, who scanned it briefly.

Respectfully,

EDWARD A. TAMM

Tamm:

Since part of it has now been given to A.G. the original plan may be disregarded. Tracy will no longer handle it & you can give further developments to A.G.

RECORDED
&
INDEXED

62-32519-115

FEDERAL BUREAU OF INVESTIGATION
JUN 23 1939

10

KAT:MFW
9:20 P.M.

June 22, 1939

MEMORANDUM FOR FILE

ms
h
Richard W
I called SAC Sackett at New Orleans and told him that the Washington papers this morning indicated that the FBI Office at New Orleans is investigating a W.P.A. irregularity or scandal in connection with the resignation of Governor Leche. I asked Mr. Sackett if he knew of any kind of an investigation that W. P. A. agents were conducting, and he said Mr. Paul Hanson, Agent in Charge of the Division of Investigation was conducting an inquiry into the W. P. A. set-up there.

I told SAC Sackett if he received any press inquiries concerning this to decline to comment.

E. A. Tamm

Sp. Atty. Gen. - S. L. ...
Mr. Tolson _____
Mr. Nathan _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Coffey _____
Mr. Crowl _____
Mr. Egan _____
Mr. Foxworth _____
Mr. Glavin _____
Mr. Harbo _____
Mr. Lester _____
Mr. McIntire _____
Mr. Nichols _____
Mr. Q. Tamm _____
Mr. Tracy _____
Miss Gandy _____

RECORDED
&
INDEXED

62-32509-11
FEDERAL BUREAU OF INVESTIGATION
JUN 24 1939
U. S. DEPARTMENT OF JUSTICE
FILED TWO

ORIGINAL FILED IN 86-1045-17

RECORDED

ACH:LL

August 11, 1939

62-37509-1132

Special Agent in Charge
New Orleans, Louisiana

Re: CRIME CONDITIONS - LOUISIANA

Dear Sir:

There are inclosed herewith two photostatic copies each of the following described communications, which were referred to the Bureau by the Department:

Letter dated May 30, 1939, to the Attorney General from Mr. D. L. Rush, of New Orleans, Louisiana.

Copy of letter dated June 3, 1939, to Mr. Rush.

Letter dated June 27, 1939, to the Attorney General from Mr. Rush.

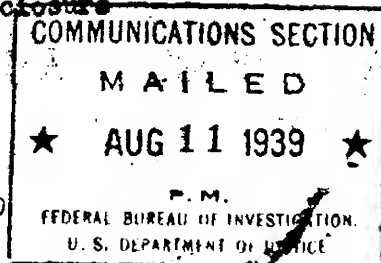
The Bureau has not acknowledged Mr. Rush's letters.

Very truly yours,

John Edgar Hoover
Director

Mr. Tolson _____
Mr. Nathan _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Coffey _____
Mr. Egan _____
Mr. Glavin _____
Mr. Crowl _____
Mr. Harbo _____
Mr. Lawler _____
Mr. McIntire _____
Mr. Rosen _____
Mr. Sears _____
Mr. Nichols _____
Mr. Q. Tamm _____
Mr. Tracy _____
Miss Gandy _____

Inclosure



104
56-1 T

New Orleans, La.
June 27th, 1939.

Honoerale Frank Murphy,
Attorney General,
Washington, D. C.

Dear Mr. Murphy:

I knew things would break in time, and now I believe things are shaping up so you can be of real service to a badly used citizenry of our State.

I hope you will take hold when the time arrives and put some of the offenders where they belong.

I am sure you will find that Dr. Smith was not alone in the crooked work being exposed at this time, and while the pot is boil I think you can do some cleaning that is urgently needed.

I hope the roots of the evil will be blown out before the cleaning is finished. When that is done you will find that dark lantern business is responsible for more losses than Dr. Smiths embesement.

If we could rid this State of the gang that runs the gamb Booking, Slot machines, Pin ball machines, grab machines and pay off our little 2 X 4 politicians who allow them free right-of-way with loteries and all kinds of gambling devices in violation of law we would be getting places. This bunch (and some of them are local people) have more money to play with than the people know about. They put a fellow like Smith to the front and opperate the business high handedly with practically no opposition from out State Officials.

Kindly come to our resecue now while things are opening u

Yours truly,

D. L. Rush.

COPIES DESTROYED

170 SEP 17 1964

RECORDED
INDEXED
22509
FEDERAL BUREAU OF INVESTIGATION
AUG 15
U. S. DEPT. OF JUSTICE
113

FRUIT JUICE EXCHANGE

D. L. RUS

Pure Fruit Juice In Cans

OUR BUSINESS IS SERVICE TO THE RETAIL DEALER

409 ST. CHARLES STREET PHONE RAYMOND 2816

NEW ORLEANS, LA.

May 30th, 1939.



Honorable Frank Murphy,
Attorney General,
Washington, D. C.

Dear Mr. Murphy:

After reading your remarks to the Associated Press while you was here in New Orleans yesterday, I was just beginning a letter to you expressing my appreciation of the way you handled the subject of Clean Government here in the midst of a Rack Ridden people who are hoping to be relieved from the situation by some one who has the power, and the desire to assist them, when the New Orleans States came out with an editorial that expressed my views and wishes so much more clearly than I would have been able to express them that I am sending you clipping of the Editorial herewith and hope you will read every word of it. I heartily indorse the views that are expressed in this editorial and think that at least 75% of the good citizens of Louisiana do the same.

We certainly do need a house cleaning here but the common citizens are helpless without assistance from higher up.

Will you and Mr. Hoover assist us?

8/11/39 - Let. New C. A.

Thanking you for your kindly expressions in our behalf, and hoping you saw a few things while in Louisiana that will be remembered in future dealings with us,

I beg to remain,

COPIES DESTROYED

170 SEP 17 1964

Yours very respectfully,

RECORDED
&
INDEXED

FEDERAL BUREAU OF INVESTIGATION

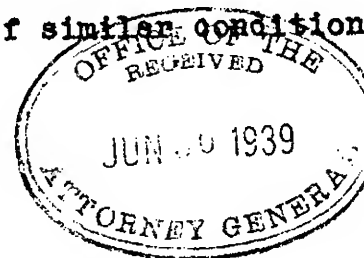
AUG 15 1939

DEPARTMENT OF JUSTICE

P. S. Kindly read over my letter to you dated April 25th, 1939.

refers to H. H. Jones

In my letter to you of April 25th 1939 I mentioned to you (which you will probably remember) That you would have an opportunity to become acquainted with some of the cleaver handshakers in their intertainment of you at the L. S. U. when you came down to make a talk before the graduating students, and that you might have to deal with some of them in future. I think the time has nerely arived when your Deoartment will take a hand. I hope you give them a square deal that they deserve. I know some will escape, but you may get enough to give a lesson of what may be expected in future if similar condition arise. D. L. R.



COPIES DESTROYED
170 SEP 17 1964

175

W. L. RUSH

FRUIT JUICE EXCHANGE

D. L. RUSH

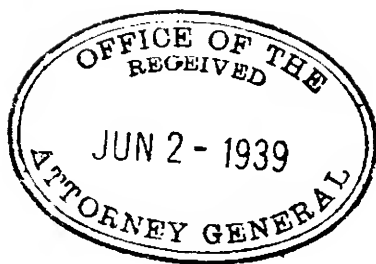
Pure Fruit Juice In Cans

OUR BUSINESS IS **SERVICE** TO THE RETAIL DEALER

409 ST. CHARLES STREET **PHONE RAYMOND 2816**

NEW ORLEANS, LA.

D. L. Rush



June 3, 1939

Dear Mr. Rush:

It was thoughtful of you to send me the editorials from the New Orleans States and the Times-Picayune, and I was interested, also, to read the views that you expressed. Thank you for your kindness.

Sincerely,

Mr. D. L. Bush
409 St. Charles Street
New Orleans, Louisiana X

COPIES DESTROYED
BY SEP 17 1964

77

New Orleans, La.
June 21, 1935.

PERSONAL AND
CONFIDENTIAL

Mr. E. E. Carnes,
Federal Bureau of Investigation,
607 U. S. Court House, Foley Square,
New York City, New York.

Re: MURDER.

Dear Sir:

At 10:15 AM June 20, 1935, you telephonically requested me to ascertain and advise you of the situation involving the slot machine racket being operated in New Orleans at the present time, particularly the participation therein of FRANK COSTELLO and PHIL KASTEL, who are supposed to control this through the Bayou Novelty Company. You also furnished the names of the Trumint Company and the Automint Company as being in the racket, and furnished the names of CHARLES WEIGERMAN and D. ORIGERMAN as being officials of the Bayou Novelty Company.

Your information also was to the effect that PHIL KASTEL is supposed to be operating 270 slot machines in New Orleans with SEYMOUR WEISS, and that he is also associated with WILLIAM HELIS, the Greek Consul in New Orleans.

From various confidential but reliable sources of information in this city, the information which you desire has been obtained, and I am setting it out below in this communication for your ready reference: INDEXED *62-32509*

It appears that during the early part of 1935, SENATOR MUKY P. LONG is supposed to have entered into a deal in New York City with FRANK COSTELLO and PHIL KASTEL, whereby they were to have exclusive rights to place slot machines in the city of New Orleans. Prior to this time, an individual by the name of REED BRAINARD, who was from a very wealthy family in Chicago, his father having been a famous Chicago lawyer, had a great deal of money which he lost apparently, in the stock market, and discovered that among his other papers he had title to an invention of a slot machine. It appears that BRAINARD also had an interest in a manufacturing com-

pany in Chicago, believed to have been JERNINGS or some similar name, and he had this company manufacture what was later known as the "Chief" slot machine.

It also appears BRAINARD made a business connection with FRANK COSTELLO and PHIL KASTEL, and the three of them were the men actually behind the Chief slot machines.

During 1935 about eight hundred of these Chief slot machines were brought into New Orleans, and were in the active charge of BRAINARD, who came to New Orleans at that time, mingled in very high society here, and openly admitted that while he was not a gunman in any sense of the word, he was in charge of the Chief slot machines in New Orleans.

As a matter of fact, BRAINARD told this story to a confidential contact of mine, the managing editor of a newspaper here, who told me same in confidence today during a general conversation I had with him. BRAINARD appeared at this particular editor's office and requested that the newspaper "lay off" the Chief slot machines. The newspaper agreed to do this if BRAINARD promised to keep the slot machines out of schools and away from other places where women and children congregated, which BRAINARD agreed to do. The newspaper thereafter did not agitate the removal of the slot machines, at that time.

The newspaper clippings on file in this office show that during the latter part of 1935, after the death of Senator HUEY P. LONG, there was a great deal of public opposition to the slot machines, and various ministers and other persons prominent in civic life tried to have the machines removed, without any affirmative results.

At this time it is apparent from information we have that PHIL KASTEL was in New Orleans from time to time as the "big man" behind the Chief slot machines, and that also FRANK COSTELLO was identified with these machines. It is apparent that they were operating through the Bayou Novelty Company, and as will be later shown, mail for this company is still received at 2601 Chartres Street, New Orleans.

Reliable information is also at hand which definitely indicates that MR. SEYMOUR WEISS was in with these slot machine men and actively was interested in this enterprise.

The Chief slot machines operated successfully in New Orleans until about two and a half years ago, at which time REED

BRAINARD, the front man for the outfit as stated, died. He is alleged to have been the "gentleman" of the crowd, and when he was in control here efforts were made to keep the machines out of the schools and similar places. However, upon his death FRANK COSTELLO and his crowd paid no attention to such limitations and placed machines in various places where school children and women were, which incurred the open animosity of the New Orleans Times Picayune and New Orleans States newspapers, and it was due principally to the campaign waged by these newspapers that Mayor ROBERT S. MAESTRI of New Orleans took action about two years ago, which effectively barred all slot machines, that is, machines having automatic payoff, from the city of New Orleans.

At that time the Chief slot machines were taken out by PHIL KASTEL and his crowd, undoubtedly being disposed of in other parts of the State, and since then the Chief slot machines have not operated in New Orleans, nor is any other automatic payoff slot machine operated.

Since then the so-called pinball machines have been in operation. Some of these are in reality slot machines which do not have an automatic payoff, but cash money is paid by the persons in charge behind the counter upon the player attaining a certain score or upon certain combinations of figures or numbers coming up on the machine.

Towards the end of the Chief slot machines a local group of individuals tried to put in pinball machines in the city, and there was a constant war between operators of the slot machines and pin ball machine operators, so that when the Chief slot machine operators were ousted from the city, the local men who ran the pinball machines gained control of the situation, and have held it ever since.

At the present time these pinball machines are legal, and a slot machine, which is illegal in New Orleans, is defined as a machine or game of chance having an automatic payoff.

The information which we have developed indicates that neither PHIL KASTEL nor FRANK COSTELLO are apparently active in the operation of the pinball machines in New Orleans at the present time. An informant advised me that about a year ago PHIL KASTEL is sup-

posed to have had a violent argument with SEYMOUR WEISS, and the two split. Since that date KASTEL has not operated at all in New Orleans, and has been here only on very few occasions.

Contact was made with the New Orleans Retailers Credit Bureau, New Orleans, and as to the Bayou Novelty Company, 2601 Chartres Street, New Orleans, the records show as of the year 1936 GEORGE R. WILLIAMS was manager of that concern; that the investigator for the Credit Bureau learned that it was reported locally that the Bayou Novelty Company is operated as a branch of the Bison Novelty Company of Chicago, Illinois; that the exact nature of the business activities of the Bayou Novelty Company was not definitely known, and that efforts to obtain the street address of the parent concern in Chicago have been unsuccessful.

An examination of the records of the Credit Bureau referred to reflects no credit transactions having been reported.

As to PHILLIP F. KASTEL, the records of the New Orleans Retailers Credit Bureau show that he is 33 years old, married, formerly of New York City, and of London, England; that the date of the investigation by the Credit Bureau as of December 3, 1936, shows that KASTEL had been in New Orleans for about two weeks, occupying an apartment with his wife at the Pontchartrain Apartment Hotel, New Orleans, at which hotel he was registered from New York City.

It was learned at the hotel by the Credit Bureau investigator that KASTEL was a director of WILLIAM WHITELEY of Glasgow, Scotland, manufacturers of White Horse Whisky, and that KASTEL was also identified in the distribution of coin operated machines, but that that information could not be verified.

Further, the report shows that KASTEL has not established any banking connections, but from the way he was living the impression was that he had a substantial revenue from his activities. The records of the Credit Bureau did not reflect any credit accounts by KASTEL.

As to DUDLEY GEIGERMAN, the records of the said Credit Bureau show that in 1936 he resided at 4239 St. Charles Avenue, New Orleans, was from New York City, and that in February 1939 he moved to 1553 Phillip Street, New Orleans; that as a result of investigation by the Credit Bureau it was learned that GEIGERMAN was a salesman and contact man for the Bayou Novelty Company of 2601 Chartres Street, New Orleans; that he was 25 years old in 1936, married, one

son four years old, and formerly resided in New York City; nature of business, distributor of Chief slot machines; salary reported to be \$100.00 a week. The report of the Credit Bureau shows that DUDLEY GEIGERMAN has a brother named THEODORE GEIGERMAN, 35 years old, married, residing at his home in New Orleans, and from information received this brother is engaged in the same business as DUDLEY GEIGERMAN.

The records of the Credit Bureau reflect no information whatever on the Trumint Company or the Automint Company, or on FRANK COSTELLO.

Contact was made with a confidential informant at the New Orleans Public Service, Inc., New Orleans, and the records of that concern reflect that DUDLEY GEIGERMAN of 4239 St. Charles Avenue, New Orleans, Apartment B, became a customer of the company for light and gas on September 17, 1938 and that on February 1, 1939, DUDLEY GEIGERMAN changed his residence address to 1543 Phillip Street, New Orleans, where he is now located, and that the records of the company show that he has the usual deposit of \$10.00.

The records further show DUDLEY GEIGERMAN has an account at 2601 Chartres Street, New Orleans, which was started September 10, 1937, with a deposit of \$25.00 for light, gas and power. The records of the Public Service reflect that there was a discontinuance of this service for a brief period; that on October 17, 1938 DUDLEY GEIGERMAN renewed the account for the purchase of such service at 2601 Chartres Street.

The records show the nature of the business as submitted by DUDLEY GEIGERMAN is as follows: "W. COMM. OFFICE & WAREHOUSE". This account is still in effect and active.

The New Orleans Public Service, Inc., records do not reflect any information on the Trumint Company, the Automint Company, THEODORE GEIGERMAN and PHILLIP F. KASTEL.

Substitute carriers for 2601 Chartres Street, New Orleans, advised that mail is still being received at that address for the Bayou Novelty Company, and one carrier recalled the name of DUDLEY GEIGERMAN. He stated the occupants of these premises have Buick automobiles.

The place was observed by Special Agent J. O. PEYRONNIN, who entered under pretext, and found that the entrance is guarded by a white man, and the door leading to the inner office has a small sliding aperture, within which is an office where two men are seated

at a desk. The back room of the place observed from the street was noted to be vacant, no slot machines being in sight.

A stenographer of this office telephoned the Pontchartrain Apartment Hotel and learned that MR. PHIL KASTEN was registered there but was out of town.

It was noted from slot machines located on St. Charles Avenue the name of WILLIAM GEIGERMAN, 5000 S. Salcedo Street.

In front of the residence of DUNLEY GEIGERMAN, 1845 Phillip Street, was observed a 1936 Model Buick Sedan, Louisiana license 251-000.

Another confidential informant contacted by this office stated that he understood that FRANK COSTELLO and, or PHIL KASTEN were New York representatives of the Chief slot machines. He did not know if they were presently in New Orleans. He stated, however, their local man was JIMMY MORAN, an ex-convict from Atlanta, whose true name is JAMES BROCATTO, and who is a Dago and a close associate of Mayor ROBERT S. MAESTRI of New Orleans. BROCATTO is presently in partnership with JERRY WOODS, an ex-convict and bootleg king, and MR. LATINO, brother-in-law of MORAN, operating the Casino Club at 1412 Frenchmen Street, New Orleans. *La*

He stated that in the past six months the same crowd who had the Chief slot machines in New Orleans, have introduced at least 250 new machines on the order of slot machines, which are equipped for automatic payoff, but which do not pay off automatically, arrangements being made so the payoff is made over the counter when the winning combination shows up. These are altogether different in appearance from the old slot machines, and instead of showing up the usual cherries, plums and other fruits, they show up animals. These are nickel slot machines.

He said BROCATTO had been paid \$100.00 a day by the old crowd at the time the Chiefs were in here, and he understands that they are the ones who arranged for the franchise of the new machines. These appear mostly in barrooms in New Orleans.

Some of these machines were examined by agents of this office, and it was noted that they are products of the Mills Novelty Company, Chicago.

This informant, who was quite familiar with police activities in New Orleans, informed that so far as he knows there are no

outside connections with the gambling or vice rackets here; that the payoff to the police on these machines is through GEORGE BRENNAN, insurance man, who insures every slot machine, pinball game and claw machine in New Orleans for \$3.00 a week, and the money is supposed to go to the police.

From another confidential source associated with the handbook and policy racket in New Orleans, it was ascertained that HERMAN WIGGS was the big man in the slot machine business when the Chief slot machines were operating in New Orleans. It is reported that one TOM HILL, who was secretary to one of the Commissioners of the City Council, was a collector for the "Association" when these machines were operated, and that at about the time of the blow off HILL was accused by the "Association" of having stolen between two and four hundred thousand dollars. The "Association" or members of it, threatened to have HILL killed and he told them that all of the information which had come to him concerning the slot machine operations in New Orleans had been written up and at his death would be exposed.

It was the opinion of the informant that this was probably a ruse by the "Association" through which they were able to hold out on the owners of the machines in Chicago and New York. He said that this same HILL is now a partner with JOE BROWN in the gambling house run at 118-1/2 Baronne Street, New Orleans, which is the only white gambling house permitted to operate in the city limits.

He also said JIMMY MORAN, whose real name has heretofore been recorded, was the collector for pinball machines which are now operated in the city of New Orleans, and the said MORAN being a very close friend of Mayor ROBERT S. MAESTRI. He also advised that JIMMY FISHER, son of the State Senator from Jefferson Parish, Louisiana, is the collector for the pinball operations in that Parish.

The informant advised that the concern with which he is connected does not operate any pinball or slot machines. He said he himself has been approached by the men in New Orleans to put in these machines who informed him that the business was forty, forty and twenty, forty percent to the operator, forty percent to the owner and twenty percent to the "Association". He said that all of the penny cigarette machines in the city of New Orleans are taxed 25¢ a month, which goes to the "Association". He also advised that the

-7-

84

music boxes in the city of New Orleans, which are quite numerous, are taxed the sum of \$2.00 per month, which also goes to the "Association", and that JIMMY MORAN is the collector for these instruments.

This informant was not acquainted with or familiar with the name of PHIL KASTEL; he did recall COSTELLO as being connected with the Chief machines when they were operated in New Orleans. He said, however, he was not a local man and is not in New Orleans at this time to his knowledge.

The informant did not divulge the names of the persons he referred to as the "Association" but it is assumed they are the same persons referred to by this office as the New Orleans "Syndicate". The names of PHILLIP KASTEL and FRANK COSTELLO have not been heard of as being members of the "Syndicate" in New Orleans in the past few years.

With reference to your inquiry concerning the Greek Consul in New Orleans, it is to be noted his name is WILLIAM HELIS. He is a multi-millionaire oil operator in South Louisiana, and a very close friend of Mayor MAESTRI and SYMOUR WHISS. It may be noted that Mayor MAESTRI was formerly Conservation Commissioner of Louisiana, and there is reported to have been a great deal of graft in connection with oil operations. Nothing has been heard heretofore by this office concerning his, HELIS', direct connection with the slot machine activities or vice conditions in New Orleans.

For further general information it has been learned during these inquiries the true name of the official fixer is ULLIO BURKE, rather than RIMOND BURKE, ULLIO BURKE being an uncle of RIMOND BURKE. It is to be further stated that HENRY ASSET is the official fixer of the Police Department.

The files further reflect that the New York City Police number for PHIL KASTEL is E-4836. There is no record of FRANK COSTELLO or PHIL KASTEL in the Identification Division of the New Orleans Police Department. It has been stated that the records of JERRY WOODS and JIMMY MORAN have been removed from the Identification division of the New Orleans Police Department.

I trust that the above will give you a complete picture of the slot and pinball machine situation in New Orleans as it did exist and as it exists at the present time. In the event you de-

sire any further specific information along any of the lines mentioned above, I will be pleased to provide you with same.

Very truly yours,

H. B. Ricketts,
Special Agent in Charge.

BES:CEW:JOP:RLS/WH

AIRMAIL-SPECIAL DELIVERY

cc - Bureau ✓

JEM:EP

June 17, 1939

RECORDED

62-32509-113X

MEMORANDUM FOR THE ATTORNEY GENERAL

You will recall that you brought to my office a Mr. Harry Joseph Costello and that I had Mr. Tracy of my office interview Mr. Costello. I am attaching hereto two memoranda, one dated June 15, 1939, and the other dated June 17, 1939, containing information furnished by Mr. Costello to the representative of the Federal Bureau of Investigation. I am also attaching a copy of a clipping appearing in the New Orleans Times-Picayune for June 10, 1939, which has reference to this same matter.

I have taken no action upon the matters referred to in the enclosed memoranda since I thought you would want to review them first to determine what action you would want this Bureau to take.

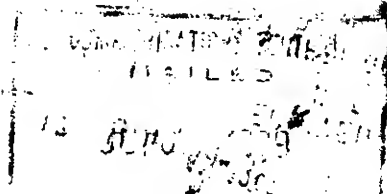
Respectfully,

J. Edgar Hoover

John Edgar Hoover
Director

Mr. Tolson _____
Mr. Nathan _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Coffey _____
Mr. Crowl _____
Mr. Egan _____
Mr. Foxworth _____
Mr. Glavin _____
Mr. Harbo _____
Mr. Lester _____
Mr. McIntire _____
Mr. Nichols _____
Mr. Q. Tamm _____
Mr. Tracy _____
Miss Gandy _____

Enclosures



RECORDED COPY FILED IN 86-1145-13X

87

SJT:RCL

RECORDED
&
INDEXED

June 15, 1939

62-32509-11

FEDERAL BUREAU OF INVESTIGATION

JUN 24 1939

U. S. DEPARTMENT OF JUSTICE

MEMORANDUM FOR THE DIRECTOR

RE: CRIME CONDITIONS
STATE OF LOUISIANA

In accordance with your instructions, I talked this morning with Mr. Harry Joseph Costello, newspaperman, presently residing at 2123 California Street, N. W., Washington, D. C. Mr. Costello advised me that he is in Washington until July 1, 1939, at which time he will proceed to the State of Louisiana to be publicity man for former Governor James A. Noe of Louisiana, who is going to run again for the governorship, the primaries of the election being January 16, 1940. Mr. Costello stated that he is a World War veteran and has known Attorney General Frank Murphy since their army service during the World War. He was a newspaper reporter following the World War in Detroit, being on the Detroit News and Free Press until 1932. He has been in newspaper work in New Orleans for several years and was associated with Huey Long.

I was informed by Mr. Costello that he talked with the Attorney General and left with the Attorney General a selection of affidavits prepared in the presence of Mr. Costello in Louisiana, selected to show certain conditions present existing in that state, which in his opinion amply prove a prima facie case of federal law violation.

Robert Maestri is alleged to be the head of the present political ring in Louisiana and concerning the background of Maestri Mr. Costello advised that he is an uneducated man of Italian descent, his father having died when he was very young. Possessing a natural shrewdness, he was able with his inheritance which consisted of control of the leading houses of prostitution in New Orleans, to make a great deal of money and in turn to acquire tremendous power in the state. After becoming very wealthy and powerful, Maestri tried to leave the prostitution activities and go into broader fields. He has attempted, according to Mr. Costello, to pull away from prostitution and prevent his name being associated with this particular racket. He is supposed to be very religious, worships his mother, and has furnished her everything possible. As an indication of the man himself, Mr. Costello said that Maestri, a short while ago, practically rebuilt a street on the

ENCL. C

1145-13X
86
COPIED COPY FILED IN

81

ground that it was a religious organization, therefore, the use of city labor and materials for the work was quite all right in his opinion. Costello pointed this out in order to give a brief background of Masetti and a picture of his method of reasoning.

Masetti is alleged to be in control of the entire political ring which covers vice, gambling and innumerable shake-down and grafting activities, including the smuggling and sale of narcotics and the smuggling of aliens. As an example, Mr. Costello advised that the Hammond Progress, a newspaper at Hammond, Louisiana, one of Huey Long's old newspapers, is used in the shake-down racket. A Chinaman in New Orleans (whose name Mr. Costello can secure) was approached by a salesman from the Hammond Progress and instructed to take a definite amount of advertising. The Chinaman declined and the local officers immediately began a systematic persecution designed to prevent customers from using the Chinaman's laundry and he was thereby run out of business.

State employees are required to take subscriptions to this newspaper, the method being that a state employee will be approached by a representative of the paper and told that he is to pay immediately for ten subscriptions and that he is to sell those subscriptions to his friends. If he refuses to pay for all ten of the subscriptions, he is dropped from the payroll.

Mr. Costello advised that Huey Long would not tolerate personal dishonesty on the part of his subordinates and that they did not dare pilfer the state owned material, etc. While Huey Long was living, that, however, during the past four years since his death in September, 1935, the public generally in the State of Louisiana has lost all faith in all public officials. Mr. Garner-Tullis, President of the cotton exchange, according to Mr. Costello, stated that conditions are very bad politically and that it is the plan of the "ring" to steal this coming election.

No WPA worker can hold a job without contributing to the machine according to Mr. Costello. Most of the projects, he states, now have WPA funds in connection with the state funds and 5% of the entire state payroll is deducted and although Mr. Costello does not know to whom it is sent, he advises that it definitely goes somewhere and the 1937 payroll was twenty million dollars for the State of Louisiana and it has increased approximately 40% since that time due to increased WPA

89